

**WELLS
FARGO**

*Shield Alloy
Leslie*

WELLS FARGO BANK, N.A.

U.S. TRADE SERVICES - STANDBY LETTER OF CREDIT UNIT

ONE FRONT STREET, 21ST FLOOR, SAN FRANCISCO, CALIFORNIA 94111
PHONE: (800) 798-2815 OPTION 1. E-MAIL: SFTRADE@WELLSFARGO.COM

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: NZS661269

ISSUANCE DATE: May 27, 2010

MAXIMUM AMOUNT: U.S. \$300,000.00

162808



BENEFICIARY:

U.S. Environmental Protection Agency
c/o Walter Mugdan
Director, Superfund Division, EPA Region 2
290 Broadway, 20th Floor
New York, New York 10007-1866

APPLICANT:

TRC Companies, Inc.
21 Griffin Road North
Windsor, CT 06095

Dear Sir or Madam:

We hereby establish our Irrevocable Standby Letter of Credit No. NZS661269 in your favor, at the request and for the account of the Applicant, TRC Companies, Inc, in the amount of exactly Three Hundred Thousand and NO/100 U.S. dollars (\$300,000.00) (the "Maximum Amount"). We hereby authorize you, the U.S. Environmental Protection Agency (the "Beneficiary"), to draw at sight on us, Wells Fargo Bank, N.A., One Front Street, 21st Floor, San Francisco, CA 94111, an aggregate amount equal to the Maximum Amount upon presentation of:

- (1) your sight draft, bearing reference to this Letter of Credit No. NZS661269 (which may, without limitation, be presented in the form attached hereto as Exhibit A); and
- (2) your signed statement reading as follows: "I certify that the amount of the draft is payable pursuant to that certain Administrative Order on Consent ("AOC"), dated April 28, 2010, by and among the United States, Shieldalloy Metallurgical Corporation ("SMC") and TRC Companies, Inc, entered into by the parties thereto in accordance with the authority of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). Consistent with the terms of the AOC, the Beneficiary shall not be entitled to draw against this letter of credit for any obligations that are in any way associated with or attributable to SMC."

This letter of credit is effective as of May 27, 2010 and shall expire on May 28, 2011, but such expiration date shall be automatically extended for a period of at least 1 year on the date which is May 28, 2011 and on each successive expiration date, unless, at least one hundred twenty (120) days before the current

expiration date, we notify both you and TRC Companies, Inc. by certified mail that we have decided not to extend this letter of credit beyond the current expiration date. In the event you are so notified, any unused portion of the letter of credit shall immediately thereupon be available to you upon presentation of your sight draft for a period of at least 120 days after the date of receipt by both you and TRC Companies, Inc. of such notification, as shown on signed return receipts.

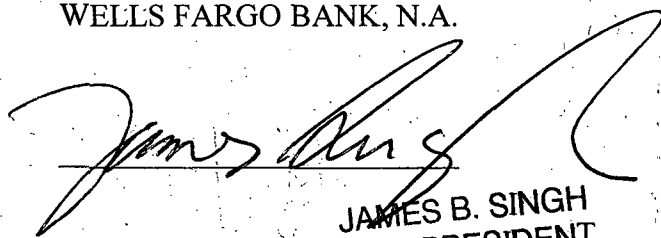
Multiple and partial draws on this letter of credit are expressly permitted, up to an aggregate amount not to exceed the Maximum Amount. Whenever this letter of credit is drawn on, under, and in compliance with the terms hereof, we shall duly honor such draft upon presentation to us, and we shall deposit the amount of the draft in immediately available funds directly into such account or accounts as may be specified in accordance with your instructions.

All banking and other charges under this letter of credit are for the account of the Applicant.

This letter of credit is subject to the most recent edition of the Uniform Customs and Practice for Documentary Credits (Publication 600), published and copyrighted by the International Chamber of Commerce.

Very Truly Yours,

WELLS FARGO BANK, N.A.



JAMES B. SINGH
VICE PRESIDENT

May 27, 2010

"The original of this letter of credit contains an embossed seal over the authorized signature"